

## **King County Employees Deferred Compensation Plan**

### **Board Meeting Minutes**

July 13, 2016

**Board Members:** Tom Beavers, Pat Hamacher, Doug Hodson, Nigel Lewis, Lisa Parriott, Pat Sainsbury and Mary Beth Short

**Staff:** O.C. Collier-Brown

**Guests:** Thomas Friedman

#### **Agenda Review**

None

#### **Participant / Employee Comments**

Participant, Ryan, is requesting the board to consider a provision that would allow loans for participants. Participant states “for participants, this helps provide resilience for life events without depending on or paying a bank.” Participant plans to attend a future meeting to address the board in person.

#### **Adopt May Meeting Minutes**

The May meeting minutes were adopted as written.

#### **Retired / Separated Board position**

Thomas Friedman was nominated and unanimously elected to serve a three year, retired representative term.

#### **Employee Board position**

Pat Hamacher, Nigel Lewis and Lisa Parriott volunteered to review the Employee Board position applications. The Plan Coordinator will schedule an application review and interview date based on the volunteers’ availability. The Board’s goal is to have a selection by the September board meeting.

#### **By-Laws subcommittee**

Thomas Friedman, Pat Sainsbury and Mary Beth Short volunteered to review the Board’s By-laws. The Plan Coordinator will schedule a by-laws review based on the volunteers’ availability.

#### **Report of the Plan Administrator**

Pat Hamacher gave a report on his attendance at the T. Rowe Price forum. He states that it was good but was primarily focused on the private sector. For him, the takeaway from the conference was the statistics and discussions around non-active participants in our Plan. We have about 8300 accounts and of those 1/3 are held by a participant that is 60 or older, and of that 1/3 just under 2000 are invested predominantly in stocks. Pat states the stocks have done well but it goes against common advice about reducing stocks as you get closer to retirement. Of those 8,000 accounts 300 have never made a change to their account. Pat feels the Board has an obligation to our participants to do some targeted education to those participants that are close to retirement and in higher risk investments.

Pat Sainsbury mentioned Morningstar studies of actual investor performance, based upon actual cash flows in and out of particular mutual funds. Morningstar found that investors in target date funds experienced better results than those in other types of funds. Pat moved to ask T. Rowe

Price and Hvas to study actual investment results of our participants compared to their default target date funds (based on age). The motion passed, subject to Pat providing Board members with more specifics about the proposed study.

Pat Hamacher and Pat Sainsbury will supply the Plan Administrator with questions to forward on to Jayson Davidson, of Hvas, so he can start on an analysis. The questions also will be circulated to Board members by the Plan Administrator.

Plan Administrator informed the Board that in-plan Roth conversions will be ready in September.

Guen will talk about this at our next meeting in August.

Plan Administrator will work with T. Rowe Price to get communication regarding in-plan conversions out the participants.

**Report of the Chair**

None

**Other Business**

None